

Supply—National Revenue

to enlarge the staff tremendously to deal with the volume of work confronting us. Everyone here knows and certainly the lawyers know that when you are handling cases involving millions of dollars in taxation, with all due respect to our permanent staff who are fully qualified, it is highly desirable to have counsel who have had a great deal of experience in the appeal courts and in the higher courts of the country. Whether or not you call that patronage I am sure you must admit that it is the only way you could administer a department such as this.

Mr. Fisher: That ain't the way I heard it.

Mr. Nowlan: If the hon. member for Port Arthur has heard anything else I would like to see him rise in his place and say so and not mutter from his seat. I would like to know who the man is that has left the department and is now talking about legal patronage. I would like to know his name. Let us bring this out in the open. I am telling this committee and the hon. member that we do not appoint counsel except on the advice of the Department of Justice and the deputy minister of that department. Anyone in this committee who has had any experience in these matters knows, and certainly my hon. friends opposite in the Liberal party who had experience in administration know very well, how scrupulous the deputy minister of justice and all officials of that department are in naming counsel.

We have many counsel on our staff today whose political antecedents, if they have any, I am sure are not those that are identified with the party now in office; but that is a matter for the Department of Justice. I said I would defend that practice anywhere in this country. I challenge anyone to suggest that in the matter of handling cases in the superior courts—cases where you really have to present the best possible case because you are confronted there with the most competent and experienced counsel in the country—patronage in the accepted sense of the term has never been used in any way, shape or form.

The hon. member for Ottawa West raised the question he raised last year with respect to valuations of the sale of real estate. The hon. member suggested—and I can see where from a public standpoint there would appear to be some merit in it—that when one sells a lot of land or a piece of property the estate tax branch assesses the gross price received whereas in many cases the vendor has retained an agent and perhaps with respect to a large and valuable property has paid between \$20,000 and \$40,000 in commission. As I said that is an argument which was an appeal.

[Mr. Nowlan.]

All I can say, is that I am advised that the law is that the fair market value does not allow for agents' commissions. That has been laid down, I am told. I am not now giving a legal opinion. I am informed that this has been laid down in the courts of this country. One can see from a practical standpoint that whether a vendor uses an agent is, shall we say, a matter of option with the vendor. According to the argument advanced he would have to pay the tax on the whole property if the man sold the property himself whereas one who employed an agent would be able to claim payment of a commission even though it was somebody closely related to himself. In any event that is the practice that has been established and laid down, I am told, in accordance with the law as we interpret it. If there is any further clarification the hon. member would like I shall be glad to discuss the matter with him.

The hon. member for Brandon-Souris also raised the question of Moral Re-Armament and entered into a defence of it as did the hon. member for Burin-Burgeo in relation to Newfoundland.

The hon. member for Port Arthur also referred to the question of charity and mentioned some newspaper articles dealing with this matter. I do not know, of course, the sources of the information of the press gallery and I have been told that is something one can never discover. I have even found out that it is very difficult to discover the identity of those who take part in television shows, although that perhaps has been disabused. I believe it is much more difficult to define the sources of information, therefore I cannot satisfy the hon. member's, shall I say, curiosity on that any more than I can satisfy my own.

Mr. Fisher: Has there been a special investigation?

Mr. Nowlan: Yes; there are always investigations going on with respect to these matters. The affairs of individual taxpayers are subject to investigation and, of course, they are also a matter of absolute privacy. I do not think I can properly or profitably go into the matter any further than to say what issues have arisen from time to time with respect to these matters. They have been, they are and they will be investigated in years to come and settled in the best possible manner that the department can achieve.

The hon. member for Hull uttered a very forceful plea for the inauguration of a taxation office in his city. He said he raised this matter last year. Frankly if he did I have forgotten it. My recollection is that I passed my estimates last year with a great burst of speed. Today we had a great deal of praise.